

Lenworth House

Final Decision-Maker	Policy and Resources
Lead Head of Service/Lead Director	John Foster – Acting Head of Regeneration and Economic Development
Lead Officer and Report Author	Alison Elliott
Classification	Public – Urgent Item Reason for Urgency – The Council would lose money if there are delays in granting the lease to Maidstone Property Holdings. This has the potential to affect the Council’s finances, and this would not be in the public interest.
Wards affected	High Street

Executive Summary

In 2017 Policy and Resources Committee approved the acquisition of Lenworth House and entered into contract with Hemmens Construction to renovate the existing building, build an extension to deliver 14 apartments for private rent. These works have now been completed.

The Committee is being asked to give delegated authority to the Director of Finance and Business Improvement to grant a lease of the property by Maidstone Borough Council to Maidstone Property Holdings Limited who will let the apartments in the open market.

This report makes the following recommendations to Policy and Resources Committee

1. That the Director of Finance and Business Improvement is granted delegated authority to grant a lease of Lenworth House by Maidstone Borough Council to Maidstone Property Holdings Limited on terms to be agreed, and authorise the completion of such lease and all ancillary deeds/agreements.
2. That the Head of Mid Kent Legal Services be authorised to complete the necessary legal formalities for such lease and any ancillary deeds/agreements in due course.

Timetable

Meeting	Date
Committee	23/01/19

Lenworth House

1. INTRODUCTION AND BACKGROUND

- 1.1 Following approval of the Housing Development and Regeneration Investment Plan, the Committee agreed to the purchase of Lenworth House at its meeting on 25 July 2017, with the intention that the apartments be let at private market rent. The works have been completed and the property is now in the ownership of Maidstone Borough Council.
 - 1.2 The refurbishment of the existing Lenworth House and the new extension to the rear has created a total of 14 apartments. The apartments will be marketed for private rent, which will provide a source of long term revenue income that will be used to support core services.
 - 1.3 The Committee is asked to approve that the Director of Finance and Business Improvement is given delegated authority to grant the lease of Lenworth House by Maidstone Borough Council to Maidstone Property Holdings (MPH).
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2. AVAILABLE OPTIONS

- 2.1 **Option 1:** The Committee do not approve that the Director of Finance and Business Improvement is granted delegated authority to grant the lease of Lenworth House by Maidstone Borough Council to Maidstone Property Holdings Limited.
 - 2.2 **Option 2:** The Committee gives approval for the Director of Finance and Business Improvement delegated authority to grant a lease of Lenworth House by Maidstone Borough Council to Maidstone Property Holdings Limited.
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3. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 3.1 **Option 2** is the recommended option. This option would authorise the lease of Lenworth House to Maidstone Property Holdings Limited.
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4. RISK

- 4.1 The risks associated with this proposal, including the risks if the Council does not act as recommended, have been considered in line with the Council's Risk Management Framework. We are satisfied that the risks associated are within the Council's risk appetite and will be managed as per the Policy.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The purchase of the Lenworth House for the purpose of private market rental was agreed by the Policy and Resources Committee on 25 July 2017.
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6. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

- 6.1 The decision will lead to Mid Kent Legal Services granting the necessary lease of Lenworth House by Maidstone Borough Council to Maidstone Property Holdings Limited.

7. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	The purchase of the dwellings described in this report supports the Council's strategic plan objectives and the Housing Development and Regeneration Investment Plan.	Head of Regeneration and Economic Development
Risk Management	Already covered in the risk section	Head of Regeneration and Economic Development
Financial	The purchase of Lenworth House forms part of the Housing Regeneration and Investment Plan, through which the Council meets the objectives of generating a financial return, providing new housing and regenerating the area. The projected income from Lenworth House is reflected in the budget proposals for 2019/20.	Section 151 Officer and Finance Team
Staffing	No implications	Head of Regeneration and Economic Development
Legal	The Local Government Act 1972 (LGA 1972) section 111(1) empowers a local authority to do any thing (whether or not involving the expenditure, borrowing or lending of money or the acquisition or disposal of any property or rights) which is	Claudette Valmond Principal Solicitor - Commercial

	<p>calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.</p> <p>Disposal by way of a lease is also permitted under section 123(1) of the LG Act 1972 but section 123(2) requires that a disposal by way of a lease exceeding seven years or more must not be for a consideration or value which is less than the best that can reasonably be obtained. Valuation advice should be obtained to ensure that the Council complies with its obligation under section 123(2).</p> <p>Acting on the recommendations in this report is within the Council's powers as set out in the above statutory provisions.</p>	
Privacy and Data Protection	No implications	Legal Team
Equalities	No impact identified.	Equalities and corporate Policy Officer
Public Health	We recognise that the recommendations will not negatively impact on population health or that of individuals. Health Inequalities Plan	Head of Regeneration and Economic Development
Crime and Disorder	No implications.	Head of Regeneration and Economic Development
Procurement	No implications	

8. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

None

9. BACKGROUND PAPERS

Property Acquisition Exempt Report – Policy and Resources Committee – 25th July 2017. This exempt report was brought to committee to gain authority to purchase Lenworth House.